

# HARGROVE, PESNELL & WYATT

BILLY R. PESNELL  
JOSEPH L. HARGROVE, JR.  
DAVID L. SMELLEY  
PAUL A. STRICKLAND  
SCOTT C. SINCLAIR  
W. BROOKS MAY  
JASON C. FALUDI

(A PROFESSIONAL LAW CORPORATION)

AMERICAN TOWER, SUITE 600  
401 MARKET STREET  
SHREVEPORT, LOUISIANA 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS  
POST OFFICE BOX 59  
SHREVEPORT, LOUISIANA 71161-0059  
TELEPHONE (318) 429-7200  
TELECOPIER (318) 429-7201

OF COUNSEL  
WILLIAM G. CONLY

June 19, 2003

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Formation, Reservoir A; and Cotton Valley  
Formation, Reservoir A; BETHANY-LONGSTREET  
FIELD, DeSoto Parish, Louisiana.

Dear Sir:

BRIDAS ENERGY USA, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Formation, Reservoir A, and to the Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize a substitute unit well and an alternate unit well for HOSS RA SU56 at the locations shown on an attached plat.
2. To authorize Applicant to drill, designate and utilize a substitute unit well for HOSS RA SU31 at the location shown on an attached plat.
3. To authorize Applicant to drill, designate and utilize an alternate unit well for CV RA SURR at the location shown on an attached plat.
4. To designate Applicant as Operator of HOSS RA SU31, HOSS RA SU56 and of CV RA SURR.
5. To approve exceptions to the well location provisions of Office of Conservation Order No. 289-J, effective March 1, 1974 (applicable to the Cotton Valley Formation, Reservoir A), and Office of Conservation Order No. 289-A-g-3, effective October 7, 1977 (applicable to the Hosston Formation, Reservoir A), for the locations of any of the proposed wells, as shown on the attached plats, which do not comply with the well location provisions contained in such Orders.
6. To find that each of the proposed substitute and alternate unit wells is necessary to efficiently and economically drain a portion of the hydrocarbons underlying the unit on which it is

proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.

7. To permit Applicant to combine downhole production from the Cotton Valley Formation, Reservoir A, with production from the Hosston Formation, Reservoir A, in any well drilled on CV RA SURR and HOSS RA SU56 in which the ownership interests in the Cotton Valley and Hosston units is identical.

8. To permit the Operator of HOSS RA SU56 and CV RA SURR to produce the allowables assigned to such units from either the unit or substitute unit well, the alternate unit well, or from a combination of such wells, at the option of the operator.

9. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana, was initially defined in Office of Conservation Order No. 289, effective October 1, 1954, and was further defined in Office of Conservation Order No. 289-A-g-2, effective April 14, 1977. The Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana, was initially defined in Office of Conservation Order No. 289-J, effective March 1, 1974, and was further defined in Office of Conservation Order No. 289-J-1, effective April 14, 1977.

Pertinent data concerning this application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 North Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the two (2) attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

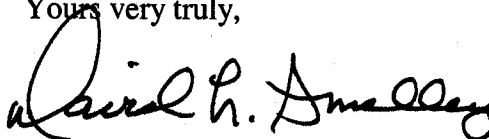
Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal

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Notice in a newspaper published in the general area of Bethany-Longstreet Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,



David L. Smelley

-- Attorney for Bidas Energy USA, Inc.

DLS:dp  
Enclosures

cc: Mr. Jim Broussard (w/encls.)  
Mr. Joe McMahan (w/encls.)  
Mr. Jerry Loyd (w/encls.)  
Mr. Louis Gilbert (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/copy of plats only)

